

Amendments to the Drawings

Two replacement sheets of drawings are attached for FIGS. 2 and 6, along with their marked up originals to show the changes. The drawing sheets have been amended to conform numbering of the drawing elements to the text of the specification. No new matter is added by these amendments.

REMARKS

Upon entry of this amendment, claims 1, and 5-36 will be pending in the application. By this paper, claims 3-4 have been cancelled and claims 1, 5-10, 12-15, 19, and 21 have been amended. Likewise, claims 22-36 have been added. Replacement drawings with corrections to FIGS. 2 and 6 are also provided. Reconsideration and allowance of the application in light of the amendments and arguments herein is respectfully requested.

Claim objections

Claims 5, 13-15, 21 and 22 stand objected to for informalities. By this paper, the first claim 13 has been moved to new claim 22 so that now there is only one claim 13, from which depends amended claim 14. Likewise, the Examiner has renumbered claims 21 and 22 to claims 20 and 21. Claims 1-22 are now numbered correctly, and all are in proper form for the Examiner's consideration.

The Applicants respectfully submit that claims 5 and 15 are in proper dependent form because they each further limit subject matter of the previous claim. For instance, claim 5 recites "so the bid amount does not exceed the bid cap to position the selected search listing at a best attainable rank." This limitation is not found in claim 1.

Furthermore, claim 15 has been amended to recite "receiving a single desired rank for all search listings of an advertiser" to clarify that it is a single desired rank for all search listings in contrast to receiving a desired rank for "selected search listings." Because the specification teaches that an advertiser may update the bid cap and desired rank of all the advertiser's listings, for instance in an all listings bidding section 604, page 21, lines 11-19, the scope of this claim clearly differs from setting bid caps and desired ranks individually, such as in an individual listings section 606.

Accordingly, based on the above amendments and arguments, withdrawal of the objections to the claims is respectfully requested.

35 U.S.C. § 102 Rejections

Claims 1-2, 5-9, and 12-22 are rejected as being anticipated by Davis et al. (U.S. Patent No. 6,269,361) ("Davis") under 35 U.S.C. § 102(b). The Applicants respectfully submit that Davis does not qualify as § 102(b) prior art because its patenting (and publication) date is July 31, 2001. The Applicants' filing date is November 13, 2001, and therefore, Davis was published less than year before the Applicant's filing date making § 102(b) inapplicable.

Even if claims 1-2, 5-9, and 12-22 were properly rejected under § 102(b) or another sub-section of § 102, the Applicants respectfully submit that Davis does not anticipate these claims because it fails to teach each and every element of the claims, either expressly or inherently. MPEP § 2131.

Claims 1 and 19 require that adjusting the bid amount (claim 1) and re-ordering the search listings (claims 1 and 19) are based at least on the "bid cap". This is a maximum bid amount over which the method and system of these claims cannot go over in changing the bid amount on behalf of an advertiser.

Nowhere in Davis does it disclose a "bid cap" nor does it teach that a bid amount is adjusted or search listings are re-ordered based on a bid cap. Indeed, nowhere in Davis does it teach that anyone other than the advertiser is the one to change a bid amount, and therefore, use of a bid cap would make no sense because the advertiser always directly submits bid amount changes. See Summary, col. 5, l. 53 to col. 6, l. 34.

Applicants' present application notes that with some advertisers bidding on "thousands of search terms" and more advertisers "bidding on the same search term," it is more likely that an advertiser will be displaced from desired rank positions. P. 4, ll. 4-10. The increased number of search listings combined with an increasing complexity of marketing strategies provides the need for a system that can be updated automatically based on a desired rank, but with a cost control capability in a "bid cap". Davis only teaches that the bid amount is modifiable (claim 1) but not that it is capped in any way.

Claims 1 and 19 have also been amended to define the manner in which the claimed method and system handles a tie situation, in which multiple bids exist for the same keywords at the same dollar or money amount. Claim 1, as amended, recites: "if

a tie condition makes a desired rank unavailable for a respective search listing, incrementing a bid amount for the respective search listing,” thus incorporating claim 4. Claim 19 includes a similar amendment. The Office Action cites to claims 17 and 19 of Davis. These claims, however, simply claim the methods by which search listings are ordered, claiming nothing in regards to what to do if there is a tie condition. Because Davis fails to even address tie conditions in bid orderings, it also fails to teach or suggest “incrementing a bid amount” as required by claims 1 and 19 “if a tie condition makes a desired rank unavailable for a respective search listing”.

Because Davis fails to teach each and every element of claims 1 and 19, Davis fails to anticipate claims 1 and 19. Additionally, Davis fails to anticipate claims 2, 5-18, and 20-23 by virtue of their dependency from claims 1 and 19.

35 U.S.C. § 103 (a) Rejections

Claims 10 and 11 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Davis in view of Fraser et al. (U.S. Patent No. 6,560,580) (“Fraser”). The Applicants respectfully submit that these references, taken either alone or in combination, do not render claims 10 and 11 unpatentable for the following reasons.

Applicants assume that Davis is being used as 102(e) prior art within the obviousness rejection. As such, 35 U.S.C. § 103(c) is applicable, which reads in part:

(c)(1) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.

Davis was owned by GoTo.com, the assignee, which was later renamed Overture Services, Inc. An assignment of the present application by Applicants to Overture Services, Inc. was recorded on July 23, 2002 having been executed on May 23, 2002. The assignment may be found in the records of the U.S. Patent and Trademark Office at reel 013109 and frame 0869. Applicants were at all times, as part of their

employment, subject to an obligation to assign the application to Overture Services, Inc. At the time the invention was made by Applicants, therefore, the subject matter of the claimed invention was "owned by the same person or subject to an obligation of assignment to the same person," Overture Services, Inc. Davis, therefore, is disqualified as prior art under § 103(c).

With Davis unavailable, Fraser fails to disclose all the limitations of claims 10 and 11. Accordingly, withdrawal of the rejection of claims 10 and 11 is respectfully requested. Even if Davis was available as prior art, for the reasons stated above, claim 1 is submitted to be patentable over Davis. The Applicants, therefore, respectfully submit that claims 10 and 11 are also patentable over Davis in view of Fraser by virtue of their dependency from claim 1.

New Claims 24-36

Newly added claim 24 has similar scope to the originally filed claim 1; however, claim 24 adds additional limitations. Claim 24, for instance, recites that a bid update is received from a web browser of the advertiser, which is taught at least in FIGS. 5 and 6 and accompanying text. It further recites a bid service queue as described on page 24, lines 15 to 27 of the application. Dependent claims 25-36 are largely similar to those dependent from claim 1, and support can be found therein. It is respectfully submitted that new claims 24-36 are patentable for at least the same reasons as claim 1, discussed in detail above.

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With this response, the application is believed to be in condition for allowance. Should the examiner deem a telephone conference to be of assistance in advancing the application to allowance, the examiner is invited to call the undersigned attorney at the below telephone number.

Respectfully submitted,

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